

Message Text

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PAGE 01 STATE 072070
ORIGIN AF-10

INFO OCT-01 ARA-10 ISO-00 EB-08 L-03 H-01 COME-00
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FM SECSTATE WASHDC
TO AMEMBASSY LAGOS
INFO AMEMBASSY NASSAU

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E.O. 11652: N/A

TAGS: EINV, NI, BF

SUBJECT: BRITISH AMERICAN INSURANCE COMPANY PROBLEMS
WITH NIGERIAN INDIGENIZATION DECREE

A) 77 LAGOS 14608(NOTAL) B) 77 STATE 295320 (NOTAL)

1. BRITISH AMERICAN'S LEGAL COUNSEL, PETER FOLEY VISITED
AF/W MARCH 17 TO SEEK ADVICE AS TO HOW HIS CLIENT SHOULD
PURSUE ITS CASE FOR HIGHER LEVEL OF COMPENSATION FOR
ADDITIONAL 11 OF SHARES TO BE ACQUIRED BY FMG AND
NEGOTIATION OF TECHNICAL SERVICES AGREEMENT (TSA).
FOLEY SAID THAT B-A HAS BEEN OFFERED NAIRA 2.5 PER
SHARE. B-A VIEWS THIS AS INADEQUATE BUT HAS NOT YET
APPEALED TO CAPITAL ISSUES COMMISSION (CIC). HE SAID
ALSO THAT COMPANY HAS DRAFTED, BUT NOT YET PRESENTED
TO FMG, A TSA BASED ON A SLIDING SCALE OF GROSS PREMIUMS.
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2. DEPTOFFS ADVISED FOLEY THAT BEST COURSE OF ACTION
WOULD BE FOR B-A TO PURSUE ALL AVAILABLE REMEDIES IN
NIGERIA, INCLUDING APPEAL TO CIC. DESK OFFICER SAID
THAT SHOULD PRIVATE ATTEMPTS TO NEGOTIATE SATISFACTORY
PRICE AND TSA RUN INTO DEAD END, B-A MAY WISH TO SEEK
USG FACILITATIVE ASSISTANCE. WE ALSO BRIEFED

FOLEY RE ONGOING UGS/FMG DIALOGUE ON BILATERAL ECONOMIC/
COMMERCIAL PROBLEMS, INCLUDING THOSE ASSOCIATED WITH

IMPLEMENTATION OF INDIGENIZATION DECREE.

3. FYI: B-A IS REGISTERED IN THE BAHAMAS BUT IS ALMOST
EXCLUSIVELY OWNED BY AMERICAN SHAREHOLDERS, INCLUDING
60 BY WELLINGTON TRUST. VANCE

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Message Attributes

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Decaption Date: 01 jan 1960
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From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780342/aaaabjao.tel
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Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: 882c61c0-c288-dd11-92da-001cc4696bcc
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Original Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Review Exemptions: n/a
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